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Chair: Ms. Bird ..... (Australia)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

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The meeting was called to order at 10.10 a.m.

Statement by the President of the seventy-third session of the General Assembly

1. **Ms. Espinosa Garcés** (President of the General Assembly), commending the Fifth Committee's achievements during the seventy-second session of the General Assembly, in particular with regard to the programme budget for the biennium 2018–2019, peacekeeping budgets, and the Secretary-General's reform initiatives in the areas of peace and security, management and development, said that she wished to highlight three points.

2. The first point related to the Committee's role in ensuring that the United Nations fulfilled its potential. Current global challenges, including conflict, terrorism, climate change and natural disasters, surging numbers of refugees and rising inequalities, were impeding progress towards the Sustainable Development Goals, with some Member States facing conditions worse than before the adoption of the Goals in 2015. The Organization's work must therefore reflect full appreciation of the conditions in which countries were seeking to respond to the needs and aspirations of their peoples, in line with the theme for the general debate of the seventy-third session of the General Assembly: "Making the United Nations relevant to all people: global leadership and shared responsibilities for peaceful, equitable and sustainable societies." During the general debate, many leaders had called for the strengthening of multilateralism, in particular through the United Nations, and for the Organization to be fit for purpose, effective, efficient, relevant, responsive and able to adapt to evolving circumstances. The United Nations must therefore be revitalized to enable it to fulfil its mandates and agreed goals, including under the 2030 Agenda for Sustainable Development. The Secretary-General's reforms and her commitment as President of the current session of the General Assembly to providing leadership for the revitalization of the Assembly were essential in that regard. However, the Committee, with its focus on human resources, audit and oversight, accountability, administrative rules and procedures, the United Nations budgets, and the apportionment of the Organization's expenses among Member States, had a unique role to play in translating political vision into reality.

3. The second point related to the Committee's agenda for the main part of the current session, which included complex topics such as the scales of assessment, human resources management, special political missions, and proposals concerning the Secretary-General's reforms, issues that had a critical impact on the functioning of the United Nations. In that regard, revitalization of the Organization's working methods was crucial, including to enabling her to fulfil her role as President of the General Assembly, which had evolved to include more than 30 mandates encompassing such responsibilities as launching intergovernmental consultations and organizing high-level events. While she was grateful for the support provided by Member States and United Nations agencies in the form of staff secondments and contributions to the trust fund in support of the Office of the President of the General Assembly, the process of ensuring support for the Office had been challenging and the current arrangements were not conducive to the Assembly's goals. She therefore hoped that the Committee would contribute to strengthening the Office, in line with General Assembly resolution 72/313.

4. The third point related to the essential role that the Committee played in multilateral diplomacy by providing comprehensive oversight of the Organization's work across all thematic areas, particularly given the difficulty of achieving consensus among 193 Member States. She encouraged the Committee, in striving to reach consensus, to work in a spirit of cooperation, transparency and inclusiveness, with the goal of leaving no one behind. She also encouraged Committee members to be proactive in requesting necessary information, in order to conclude their deliberations in a timely fashion. Lastly, she stood ready to use her authority to speed up issuance of documentation, should the Chair of the Committee so request.

Agenda item 5: Election of the officers of the Main Committees

5. **The Chair** said that, as consultations were still being conducted by the Group of African States on a nomination for the post of Rapporteur, the election of that officer would be postponed.

Organization of work (A/C.5/73/1; A/C.5/73/L.1)

6. **The Chair** invited members to consider the proposed programme of work of the Committee for the main part of the session, contained in the informal paper that had been circulated to all delegations, and the note by the Secretariat on the status of preparedness of the relevant documentation (A/C.5/73/L.1). A separate list on the status of documentation would be issued for the first and second parts of the resumed session.

7. She drew attention to recommendations made by the General Committee in its first report (A/73/250) with regard to the rationalization of work. The Main

Committees had been requested to further discuss their working methods at the beginning of every session and to brief the Ad Hoc Working Group on the Revitalization of the Work of the General Assembly on the results of their discussions.

8. The Fifth Committee should complete its work for the main part of the session by 14 December 2018. Meetings should start promptly at 10 a.m. and be adjourned by 6 p.m. In accordance with past practice, the requirement of a quorum for the start of a meeting should be waived. The General Committee had drawn attention to rules 99 (b), 106, 109, 114 and 115 of the rules of procedure of the General Assembly regarding the conduct of meetings.

9. Efforts should be made to reduce the number of resolutions adopted, and resolutions should not contain requests for reports from the Secretary-General unless such reports were strictly necessary for the implementation of those resolutions or for the continued consideration of an item. Resolutions should be short and action-oriented.

10. In order to ensure full compliance with rule 153 of the rules of procedure, initiators of proposals with budgetary implications should clarify, at an early stage and in consultation with the Chair of the Fifth Committee and the Chair of the Advisory Committee on Administrative and Budgetary Questions, a timetable for the submission of such proposals. In that regard, a mandatory deadline of no later than 1 December should be established for the submission to the Fifth Committee of all draft resolutions with financial implications. In addition, the Main Committees should merely take note of the reports of the Secretary-General or of subsidiary bodies that did not require a decision, and should neither debate nor adopt resolutions on them unless specifically requested to do so.

11. **Mr. Edrees** (Egypt), speaking on behalf of the Group of 77 and China, said that, at the current session, the Committee should build on the spirit of compromise and constructive engagement that had enabled it to adopt, at the seventy-second session, historic resolutions on management reform and on the restructuring of Organization's peace and security pillar. Practical steps must also be taken to improve the functioning of the Committee, in particular by ensuring that reports of the Advisory Committee and of the Secretariat were issued in a timely fashion in all official languages, in accordance with the rules of procedure of the General Assembly, so that the Committee's effectiveness was not hindered.

12. With regard to the matters before the Committee, the Group attached great importance to the scales of assessments for the regular and peacekeeping budgets. Given the indispensability of financial resources to United Nations governance and mandate implementation, Member States should pay their assessed contributions in full, on time and without conditions, in fulfilment of their legal obligations under the Charter of the United Nations. The Group looked forward to examining the reports relating to human resources management, in particular to assessing how the Secretary-General's proposed global human resources strategy would contribute to achieving objectives such as gender parity and equitable geographical representation at all levels, refining performance management and addressing deficiencies in the staff selection process. In addition, the Group would participate actively in deliberations on, inter alia, performance reports and the placement of human resources functions. The Group was committed to concluding the agenda items before the Committee within the time allotted.

13. **Mr. Escalante Hasbún** (El Salvador), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), said that the programme of work included issues of great importance to the Community: the scales of assessments for the regular and peacekeeping budgets; the first performance report on the 2018–2019 programme budget; human resources management; construction projects in Africa, Santiago and Bangkok; and the revised estimates relating to the reform of the United Nations development pillar.

14. The deadline for the completion of the Committee's work at the main part of the current session must be respected. As had been demonstrated in previous sessions, consensus could be achieved with adequate political will, even on the most complex issues. Reports of the Secretary-General and of the Advisory Committee should be issued in a timely manner in all languages, in accordance with the rules of procedure of the General Assembly, so that the Committee's effectiveness was not hindered.

15. **Mr. Hilale** (Morocco), speaking on behalf of the Group of African States, welcomed the Chair's efforts to ensure the timely conclusion of the Committee's work at the main part of the current session and said that the late issuance of documents remained the most significant impediment in that regard.

16. At the main part of the current session, priority must be given to the issue of human resources management, including the Secretary-General's related reform proposals, as the Organization's human resources were its most valuable asset. The Group would also pay close attention to matters relating to the

Board of Auditors; the International Residual Mechanism for Criminal Tribunals; the African Union-United Nations Hybrid Operation in Darfur (UNAMID); the Umoja enterprise resource planning system; the United Nations Joint Staff Pension Fund; the United Nations common system; financing of special political missions; information and communications technology; construction and property management; the Residual Special Court for Sierra Leone; the scale of assessments; and the Organization's internal oversight system. Regarding the scale of assessments, a speedy decision should be taken on requests submitted under Article 19 of the Charter so that the Member States concerned could fully participate in the Assembly session.

17. Timely conclusion of the Committee's work depended on how delegations conducted their negotiations. The Group had closely followed the discussions of some delegations regarding the Committee's working methods, in particular its tendency to extend its programme of work beyond the time allotted. While the Group acknowledged the challenges faced by the Committee, it did not believe that the Committee should conduct its work like other committees, with negotiations guided by a predetermined outcome. Timely issuance of reports, constructive engagement, dedication and sacrifice were the solution to the challenges. Negotiations in the Committee must be conducted in an open, inclusive and transparent manner within the time allotted.

18. **Mr. Gafoor** (Singapore), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that the Secretary-General must be given sufficient resources to fulfil mandates approved by the General Assembly and to implement his reforms.

19. ASEAN would follow with interest the Committee's deliberations on the scales of assessment for the regular and peacekeeping budgets; construction projects; special political missions; and the Extraordinary Chambers in the Courts of Cambodia. With regard to human resources management, while ASEAN welcomed the Secretary-General's progress in achieving gender parity, continued efforts were needed to improve geographical representation, especially at senior levels. The Office of Internal Oversight Services remained particularly important as the Organization implemented an ambitious reform programme. Given the Committee's heavy and complex workload, stakeholders must ensure that documents were issued in a timely fashion.

20. **Mr. Webson** (Antigua and Barbuda), speaking on behalf of the Caribbean Community (CARICOM), said that CARICOM welcomed the issuance of a number of reports on the matters before the Committee and encouraged all stakeholders to ensure that the remainder were issued on time. While the Community appreciated the efforts of the Secretariat and the Advisory Committee to respond to the numerous demands placed on them, Member States' ability to prepare for the negotiations was being undermined by late issuance. The readiness of CARICOM to consider the matters before the Committee was contingent on the availability of the relevant documents in all official languages with sufficient time for the Community to coordinate its position.

21. At the current session, CARICOM would pay close attention to the scales of assessments for the regular and peacekeeping budgets, human resource management, the revised estimates for the reform of the United Nations development system, the United Nations pension system, the administration of justice, capital projects at the regional commissions and the strategic heritage plan of the United Nations Office at Geneva. The Committee's negotiations must be conducted in an open, inclusive and transparent manner with the aim of achieving consensus. The current negotiation mechanism must be respected and the sovereign right of Member States to express their views on the administrative and budgetary functioning of the Organization must be upheld. Flexibility, compromise and a deep understanding of various issues would be required to address the matters before the Committee.

22. **Ms. Adamson** (Observer for the European Union), speaking also on behalf of the candidate countries Albania, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Armenia, Georgia, the Republic of Moldova and Ukraine, said that Committee must support and implement the Secretary-General's reforms. To avoid being seen as an obstacle, it should be strategic and open to change, respect the trust placed in the Secretary-General by the Member States and help the Organization to be more effective. Given the heavy workload at the current session, the Committee must use the allotted time wisely. It should resist the temptation to micromanage and should work in the shared interest of the Organization, particularly with a view to delivery in the field and to people in need, in support of reform and a more agile United Nations. In the Committee's work, simplification was needed, duplication must be avoided and processes must be streamlined. The Committee should require less meeting time and fewer documents, and should adopt fewer resolutions. Simplification was at the heart of the Secretary-

General's reform and should be at the heart of the Committee's working methods.

23. The timely issuance of documents in all official languages was essential to the inclusivity and transparency needed for successful negotiations. The Committee should reach decisions by consensus within normal working hours, with proper conference facilities; working outside those hours should be the exception, not the rule. The Committee had a key role to play in making the Organization more transparent, effective and efficient.

24. The principles of stability, effectiveness, efficiency and financial sustainability were essential to the Organization, particularly because the reforms would result in new functions and a new way of working. Each Member State must fulfil its obligations and pay its contributions in full, without conditions and in a timely manner. Noting the importance of the Committee's discussion of the scale of assessments, she recalled the principle of capacity to pay in line with Article 17 of the Charter. A well-functioning human resources management system was essential to the United Nations, which should invest in its greatest asset, its workforce.

25. **Ms. Norman-Chalet** (United States of America) said that, at the high-level meetings of the current session of the General Assembly, world leaders had discussed some of the world's biggest challenges and the role of the United Nations. As the Secretary-General had said in his address, the Organization must demonstrate the added value of international cooperation by delivering peace, defending rights and driving economic and social progress in responding to the needs and aspirations of the world's peoples. The United States had been at the forefront in calling for the United Nations to be the best that it could be, and would continue to ensure that the Organization was optimally positioned to support the Secretary-General's goals and achieve results.

26. At the previous session, the Committee had made historic decisions on the Secretary-General's reforms and in support of fiscal discipline. It must now approve the Secretary-General's remaining reform proposals, and ensure that resources corresponded to mandates and that the Organization found more efficient ways of working. Her delegation thanked the Secretary-General for advancing the reforms and looked forward to the benefits of the decisions taken by the Committee at the second part of the previous resumed session.

27. The negotiations at the main part of the current session could be challenging, since the Committee had before it such important matters as the remaining reform proposals, the scales of assessments, human resources management, the budget for special political missions, and construction-related matters. Nevertheless, the Committee should retain the broader vision of a more effective United Nations. The Member States had a common interest in ensuring that the Organization lived up to the noble principles upon which it had been founded.

28. **Mr. Hoshino** (Japan) said that the Member States must work together to conclude the Committee's negotiations in the allotted time, rather than follow the unfortunate precedent, set at the second part of the previous resumed session, of engaging in protracted negotiations. At the main part of the current session, the Committee had before it such pressing, complex matters as United Nations reform, human resources management, special political missions and the scale of assessments. The reforms proposed by the Secretary-General to make the Organization stronger and more integrated, coherent, and accountable should be implemented as soon as possible. During the Committee's deliberations, his delegation would call for strict budgetary discipline, which was essential to the success and sustainability of United Nations operations. The ceiling of the contingency fund should be strictly observed through the prioritization of activities in accordance with General Assembly resolutions 41/213 and 42/211.

29. **Mr. Ma** Zhaoxu (China) said that the Committee had before it the scale of assessments for the peacekeeping budget, human resources management reform and other important matters that would require all parties to engage in democratic consultations in a spirit of win-win cooperation. The Committee should address the inappropriateness of the current assessment calculation methodology. China supported the principle of collective responsibility and special responsibility. All Member States must assume their responsibilities. In human resources management, a solution should be found as soon as possible to the long-standing issue of inequitable geographic distribution of United Nations staff. Funding was an important pillar of the governance of the United Nations. China had paid all its assessed contributions to the Organization, and all parties should support the multilateralism of the United Nations through practical action, fulfil their financial obligations and ensure that resources were used as effectively as possible. Attention should be paid to effective performance management. His delegation hoped that the Committee would conclude its deliberations smoothly within the allotted time.

30. **Mr. Munir** (Pakistan) said that his country was committed to multilateralism, rule-based international

governance and the upholding of the Charter. His delegation engaged actively in the work of the Committee on Contributions, whose report provided a strong basis for the Fifth Committee's deliberations on the scales of assessment. The principle of capacity to pay was essential to the assessment calculation methodology, which had been approved in 2001, but the current ceiling was the result of a political compromise that ran counter to that principle. Capacity to pay must be the basis of the Committee's negotiations. Gross national income, low per capita income and external debt adjustments were the best ways of measuring that capacity. The permanent members of the Security Council, which issued mandates for peacekeeping missions, had a special responsibility to fund the implementation of those mandates. The current assessment calculation methodology should be applied for the 2019–2021 period. Although the share of Pakistan would increase, his Government would make its contribution, despite its financial constraints. His delegation was concerned at the lack of discussion of payments owed to troop-contributing countries from the budgets of closed peacekeeping missions and the slow pace of troop reimbursement payments. Under the Charter, Member States had a legal obligation to share the cost of running the Organization and to pay their assessed contributions in full and without conditions.

31. **Ms. Frolova** (Russian Federation) said that the Committee had many matters before it and must develop multifaceted solutions related to administrative and budgetary aspects of the Organization's work. Traditionally, her delegation assumed that the lively, complex discussions on the matters before the Committee would result in the adoption of consensus-based decisions within the allotted time. At the current session, her delegation would pay particular attention to human resources management, the scales of assessments for the regular and peacekeeping budgets, the review of the efficiency of the administrative and financial functioning of the United Nations, improving the Organization's financial situation, the common system, the pension system, Umoja, and construction and renovation projects.

32. Her delegation would examine such important components of the Secretary-General's reform package as the reorganization of the units responsible for human resources. Unfortunately, the Committee had not reached agreement on the matter at the previous session, and she hoped that, at the current session, fuller information about the parameters of the reform initiative would be provided and delegations would better coordinate their positions to optimize the Organization's human resources structures. Much of the Committee's work would relate to capital investment and infrastructure projects. With regard to meeting the costs of such projects, the Committee must have the latest information to ensure that Member States had paid exactly the amount that would be required for the successful completion of a given project.

33. **Mr. Matjila** (South Africa) said that, at the current session, his delegation would emphasize the need for the Organization to have adequate resources to fulfil mandates effectively. To ensure geographic diversity and gender parity, his delegation would examine the proposals related to the global human resources strategy, which must reflect the vision on which the Secretary-General's reforms were based. A 1948 report of the Secretary-General to the General Assembly (A/652), the Secretary-General had stated that the cardinal principle of geographical distribution was that the administration should be satisfied that the Secretariat was enriched by the experience and culture that each member nation could furnish and that each member nation should, in its turn, be satisfied that its own culture and philosophy made a full contribution to the Secretariat. Seventy years later, the Secretariat was far from multicultural and diverse, to the detriment of the Organization. The progress made by the Secretary-General in achieving gender parity and greater geographic diversity in his senior appointments showed that the Organization's policies were not obstacles to such progress. His delegation would emphasize the importance of the principle of capacity to pay in establishing the scales of assessment for the regular budget and peacekeeping, and would pay particular attention to the funding of the United Nations development system, construction projects, special political missions, the African Union-United Nations Hybrid Operation in Darfur (UNAMID) and the restructuring of the Economic Commission for Africa.

34. **Mr. Islam** (Bangladesh) said he hoped that the reports of the Advisory Committee would be issued in good time to expedite the work of the Committee. He was confident that the Committee's work would be conducted in an open, inclusive, constructive and transparent manner and completed within the allotted time. Sustained efforts had been made to improve the Committee's working methods in recent years, but more could be done. While overnight change was difficult, incremental improvements would be welcome, and his delegation would submit written suggestions on the subject. The matters before the Committee were challenging and of high priority. To keep the Organization functional and vibrant and ensure that it met expectations, the Committee must uphold the spirit of compromise and complete its work in a timely

manner. In order to ensure the administrative and financial efficiency of the United Nations, to which his delegation gave the highest priority, and the fulfilment of mandates, adequate resources must be provided. Qualitative changes must be made in human resource management, taking into account geographical representation, gender equality and the reforms already introduced by the Secretary-General. Each of the matters before the Committee should be addressed on its merits, without the creation of artificial linkages between different issues. The administrative management and budget of peacekeeping operations were constant priorities of his delegation.

35. **Ms. Al-Mansour** (United Arab Emirates) said that the Committee had before it many high-priority matters that were essential to the development of the Organization. With regard to the scales of assessments for the regular and peacekeeping budgets, the Organization must have adequate financial resources to fulfil its mandates. In relation to human resources management, particularly the representation of the United Arab Emirates in the Organization, her Government would support and train its citizens to work at the United Nations through the Junior Professional Officers programme. Her delegation commended the Secretary-General's commitment to gender parity at the United Nations, as a result of which gender parity in the Senior Management Group had been achieved for the first time. Her delegation would support the implementation of the system-wide strategy on gender parity and would work closely with the United Nations agencies involved in upholding those principles. Reports must be issued in a timely fashion so that the Member States had enough time to discuss the related draft resolutions.

36. **Mr. Sandoval Mendiolea** (Mexico) said that, given the importance of the matters before the Committee to the future of the Organization, the Committee must retain an overview, beyond administrative and financial questions, that would result in a coherent, less bureaucratic and more effective United Nations. The Committee was essential to the consolidation of the Secretary-General's efforts to achieve that goal, which was shared by the vast majority of Member States. The Bureau and members of the Committee must rise to that challenge. At the current session, the Committee must ensure that the scales of assessments for the regular budget and peacekeeping - were adjusted to reflect the international system. Each Member State's responsibilities in that regard must be balanced with its financial contribution. Member States demanded a great deal of the Organization and, in return, should meet their corresponding financial obligations.

37. The Organization had embarked on a process that would result in significant adjustments, and should give a high priority to ensuring consistency and maximizing efficiency in all areas of work and at all headquarters and offices. Human resources management was essential to that goal, and the Committee had insisted on receiving clarification regarding a unified management approach, the optimization of the distribution of functions, the avoidance of duplication, the delegation of authority, and accountability. The specific characteristics of each pillar of the Organization, and of each region and country in which the Organization operated, must be taken into account. Also before the Committee was the Secretary-General's report on revised estimates relating to the repositioning of the United Nations development system. The General Assembly had stated that the system should be funded partly by doubling the contributions of United Nations development entities under the United Nations Development Group cost-sharing arrangement in support of the resident coordinator system. Since the funding must also cover secretariat functions, the Committee should grant the Secretary-General's request for resources, which would amount to between $3 million and $16 million. The discussions regarding the matter should not be reopened, as all delegations had participated in the process on which the Secretary-General's proposal would be based.

38. Also before the Committee were reports on Umoja; funding arrangements for special political missions and construction projects in Addis Ababa, Bangkok, Geneva, Nairobi and Santiago; the United Nations common system; the United Nations pension system; and the administration of justice. His delegation had previously had doubts regarding the funding of special political missions from the regular budget, but now believed that such funding was justified by the need to achieve sustainable peace, to which the implementation of the 2030 Agenda for Sustainable Development was essential. To ensure transparency, a separate account must be established for such funding.

39. **The Chair** said she took it that the Committee wished to approve the proposed programme of work on the understanding that the Bureau would take into account the views expressed and make any necessary adjustments.

40. *It was so decided.*

41. **The Chair** suggested that a deadline of 19 October should be set for the submission of candidacies for appointments to fill vacancies in subsidiary bodies and

other appointments and that the elections should be held on 2 November. She took it that the Committee had no objection to the suggestion.

42. *It was so decided.*

Agenda item 140: Scale of assessments for the apportionment of the expenses of the United Nations (A/73/11 and A/73/76)

Agenda item 149: Scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations (A/73/350)

43. **Mr. Greiver** (Chair of the Committee on Contributions), introducing the report of the Committee on Contributions on its seventy-eighth session (A/73/11), said that the report contained the results of the review, conducted by the Committee on Contributions pursuant to General Assembly resolution 70/245, of the elements of the methodology for the scale of assessments in order to reflect the capacity of Member States to pay.

44. On the basis of its review of the income measure, which constituted a first approximation of capacity to pay, the Committee on Contributions had reaffirmed its recommendation that the scale of assessments should be based on the most current, comprehensive and comparable data available for gross national income (GNI). It had expressed support for efforts by the Statistics Division to enable Member States to submit national accounts data on a timely basis with the required scope, detail and quality. It had also recommended that the General Assembly encourage Member States to submit the required national accounts questionnaires under the 2008 System of National Accounts on a timely basis.

45. Conversion rates were required in order to be able to express in a common monetary unit GNI data reported in national currencies. The Committee on Contributions had reaffirmed its recommendation that conversion rates based on market exchange rates should be used, except where doing so would cause excessive fluctuations and distortions in some Member States' GNI expressed in United States dollars. GNI data must be averaged over a designated base period; once a base period had been chosen, there were advantages in using the same base period for as long as possible.

46. The Committee on Contributions had decided to use United Nations operational rates of exchange for Myanmar for the years 2011 and 2012 and to use the market exchange rate for the years 2013–2016. It had also decided to continue to use United Nations operational rates of exchange for the Syrian Arab Republic for the years 2011–2016. After reviewing all available options, it had concluded that a price-adjusted rate of exchange, using the modified conversion rate, was the most appropriate for the Bolivarian Republic of Venezuela for the years 2014–2016.

47. The Committee on Contributions had noted that the unavailability of data was no longer a factor in determining whether to base the debt-burden adjustment, an element of the methodology since 1986, on total external debt or public external debt, and whether the debt-stock approach or the debt-flow approach should be used. Data were now available on public external debt and on the actual repayments. The Committee had decided to consider further the question of the debt-burden adjustment in the light of guidance from the General Assembly.

48. While the Committee on Contributions had agreed that the low per capita income adjustment, part of the methodology since the first scale, continued to be an essential element in the scale methodology, it had considered various alternatives. One such alternative involved establishing the threshold on the basis of the world average per capita debt-adjusted GNI. Another possible alternative was an inflation-adjusted threshold. The Committee had decided to consider the low per capita income adjustment further in the light of guidance from the General Assembly.

49. The current methodology included a maximum assessment rate, or ceiling, of 22 per cent, a maximum assessment rate, or ceiling, for the least developed countries of 0.010 per cent, and a minimum assessment rate, or floor, of 0.001 per cent. The Committee on Contributions had decided to consider those elements further in the light of guidance from the General Assembly. It would also study further the questions of large scale-to-scale changes in rates of assessment, discontinuity and annual recalculation in the light of guidance from the Assembly.

50. In order to determine the impact of the inclusion of new data on the 2019–2021 scale, including the decisions on data and conversion rates, the Committee on Contributions had considered the application of the new data to the methodology used in preparing the current scale.

51. The Committee on Contributions recommended that non-member States be called upon to contribute for the period 2019–2021 based on a flat annual fee fixed at 50 per cent, which would be applied to notional rates of assessment fixed at 0.001 per cent for the Holy See and 0.008 per cent for the State of Palestine.

52. In its resolution 57/4 B, the General Assembly had endorsed the conclusions and recommendations of the Committee on Contributions concerning multi-year payment plans. The Committee on Contributions recommended that the Assembly encourage Member States in arrears under Article 19 of the Charter of the United Nations to consider submitting multi-year payment plans.

53. The Committee on Contributions had considered four requests for exemption and one request for a waiver of fees under Article 19. It had concluded that the failure of the four Member States — the Comoros, Guinea-Bissau, Sao Tome and Principe, and Somalia — to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond their control and had recommended that they be permitted to vote until the end of the seventy-third session of the General Assembly. Guinea-Bissau had subsequently paid the minimum amount. In addition, the Committee on Contributions had concluded that the request of Dominica for a waiver of fees did not fall within the scope of Article 19. Since the issuance of the report of the Committee on Contributions, Libya had paid the minimum amount necessary to avoid the application of Article 19.

54. **Mr. Ramanathan** (Acting Controller), introducing the report of the Secretary-General on multi-year payment plans (A/73/76), said that six Member States had fully implemented multi-year payment plans since the adoption of that system, enabling them to pay their assessed contributions in full. The status of implementation of the sole remaining payment plan, submitted in 2002 by Sao Tome and Principe, was set out in the report.

55. No new payment plans had been submitted in recent years, but several Member States had indicated that they were considering the matter. Due consideration should be given to the economic position of Member States, as some might not be in a position to submit payment plans. The submission of such plans should remain voluntary. The Secretariat stood ready to assist Member States wishing to implement such plans.

56. Introducing the report of the Secretary-General on the implementation of General Assembly resolutions 55/235 and 55/236 (A/73/350), he said that resolution 55/235 had established a new system whereby the assessment rates for peacekeeping operations were based on the regular budget rates. That system was based on a number of criteria, including average per capita GNI, which was used to place each Member State in a contribution level. It had also been decided in that context that Member States would be assigned to the lowest level of contribution with the highest discount for which they were eligible, unless they indicated a decision to move to a higher level. In its resolution 55/236, the Assembly had welcomed the voluntary commitment of certain Member States to contribute to peacekeeping operations at a rate higher than that required by their per capita income.

57. Pursuant to General Assembly resolution 70/246, the report contained the updated contribution levels for peacekeeping operations, which had been amended in accordance with established criteria and in conjunction with the review of the regular budget scale of assessments. Subject to any adjustments that might result from the Assembly's review, the updated composition would be used to establish each Member State's peacekeeping rate of assessment for the period 2019–2021. While the effective rates would not be determined until a new regular budget scale was adopted, the report contained, for illustrative purposes, a table outlining those rates for the period 2019–2021, prepared on the basis of the existing structure of contribution levels.

58. **Mr. Edrees** (Egypt), speaking on behalf of the Group of 77 and China, said that Member States should pay their assessed contributions in full, on time and without conditions, in fulfilment of their legal obligations under the Charter of the United Nations, to ensure that the Organization had adequate financial resources to discharge its mandates. It was unrealistic to demand ever more of the Organization while unilaterally withholding contributions.

59. Consideration should nevertheless be given to the special circumstances that temporarily prevented some developing countries from meeting their financial obligations. The Group endorsed the recommendation of the Committee on Contributions concerning the four Member States with pending requests for exemption under Article 19 and emphasized the need to consider those requests in a timely manner. He welcomed the efforts of Member States that had met their commitments under multi-year payment plans and encouraged others with significant arrears to consider submitting such plans, although he emphasized that they should remain voluntary.

60. The current methodology for the preparation of the scale of assessments reflected changes in the relative economic situations of Member States. The Group reaffirmed capacity to pay as the fundamental criterion in the apportionment of the expenses of the United Nations and rejected any changes in the elements of the current methodology aimed at increasing the contributions of developing countries. Core elements

such as the base period, GNI, conversion rates, low per capita income adjustment, the gradient, the floor, the least developed countries ceiling and the debt-burden adjustment were not negotiable.

61. The General Assembly should, however, review the overall ceiling, in accordance with Assembly resolution 55/5 C. The ceiling had been fixed as a political compromise and was in consequence at odds with the principle of capacity to pay and a fundamental distortion of the scale of assessments. In its report, the Committee on Contributions had noted that the total redistribution of points as a result of the ceiling had been 5.260; only one country had benefited from those points. In dollar terms, the ceiling represented a discount of approximately $142 million for a single Member State.

62. Organizations with an enhanced observer status at the United Nations that enjoyed rights and privileges usually granted only to observer States should have the same financial obligations as such States. The Assembly should consider establishing an assessment for such organizations.

63. The application of the current methodology to the 2019–2021 scale of assessments would lead to substantial increases in the contributions of many developing countries. The share of the regular budget scale of assessments borne by States members of the Group of 77 and China would increase to 25.477 per cent — approximately three times the Group's share for the 2007–2009 period — while the scale of assessments for developed countries would continue to decrease.

64. The Group would request detailed information on the payment of arrears with a view to determining whether the rationale for reducing the ceiling to 22 per cent — namely, to improve the Organization's financial situation by facilitating the payment of arrears — had been upheld. The Group rejected the unilateral withholding of contributions in order to put pressure on the United Nations, which ran contrary to the letter and spirit of the Charter. Any attempt to shift further the burden of financing the Organization to developing countries would be unsuccessful.

65. Peacekeeping operations were an indispensable function of the United Nations. The current principles and guidelines for the apportionment of the expenses of those operations should serve as the basis for any discussion of the peacekeeping scale. That scale should clearly reflect the special responsibilities of the permanent members of the Security Council for the maintenance of peace and security. As economically less developed countries had a limited capacity to contribute to the budgets of peacekeeping operations, any discussion of the system of discounts applied in calculating the peacekeeping scale should take account of the situation of such countries. In that regard, developing countries that were not permanent members of the Council should not be classified above contribution level C.

66. The permanent members of the Security Council should continue to pay their respective premiums in addition to their regular rates of assessment. In previous years, the arbitrary and unilateral withholding of assessments had led to liquidity shortfalls, forcing the Secretariat to borrow from the accounts of closed peacekeeping missions. Such shortfalls had a disproportionate impact on troop- and police-contributing countries. As at 30 September 2018, China was the only permanent member of the Council to have paid its assessments in full.

67. In keeping with the principle of common but differentiated responsibilities, developing countries should not be assigned to the same level of contributions as developed countries on the sole basis of their per capita income. The exclusive use of that measure failed to take into account the difficult and unique circumstances of developing countries. Least developed countries should continue to be assessed at the lowest level of the scale. While developed countries were welcome to contribute above their calculated rates on a voluntary basis, developing countries should not be arbitrarily targeted to move to higher levels or forced to accept reductions in their respective discounts.

68. The Group was concerned that the application of the current system of discounts and the ceiling for the peacekeeping scale had resulted in a situation in which developing countries, including small island developing States, had been repeatedly assigned to level B, in violation of the principles underlying the creation of that system. Given that developing countries had been compelled to relinquish significant discounts to accommodate the new contribution levels and that level C had been created with the understanding that those countries would be afforded a minimum discount of 7.5 per cent, they were not in a position to agree to any further reductions in their discounts.

69. Negotiations on the agenda items of the Fifth Committee should be open, inclusive and transparent in a manner befitting its competence as the sole Main Committee of the General Assembly entrusted with administrative, financial and budgetary matters. The Group reaffirmed its unified position on the current agenda items and its opposition to decision-making in small groups.

70. **Ms. Nalwanga** (Uganda), speaking on behalf of the Group of African States, said that under the current

methodology, capacity to pay was the fundamental criterion in the apportionment of the expenses of the United Nations. The Group rejected any changes to elements of the current methodology that were aimed at increasing the contributions of developing countries.

71. The General Assembly should take into account the special circumstances of certain Member States. African States continued to face challenges at the national and regional level, including climate change, economic and political instability, and insecurity. Such challenges could not be addressed without stronger national, regional and international institutions. In that connection, the Group emphasized the need to consider the requests for exemption under Article 19 in a timely manner to allow those States to exercise their right to vote.

72. The Group attached great importance to peacekeeping operations, which must be given adequate resources to implement their mandates. Noting the reductions in peacekeeping budgets in recent years, she said that the Group would monitor how such cuts affected conditions in the field, in particular the safety and welfare of peacekeepers, post-conflict recovery and reconstruction.

73. She called upon all Member States to fulfil their financial obligations. The permanent members of the Security Council should continue to pay their respective premiums in addition to their regular rates of assessment. The Group rejected any attempt to shift the burden to developing countries, which had a limited capacity to contribute to the budgets of peacekeeping operations. Any discussion of the system of discounts applied in calculating the peacekeeping scale should take account of the situation of developing countries.

74. Due recognition must be given to the contributions of African countries to peace and security. Hundreds of nationals of African countries served as United Nations peacekeepers, sometimes making the ultimate sacrifice in the service of international peace and security. The contributions of regional and subregional organizations in hosting or participating in mediation processes and engaging with the African Union Mission in Somalia and the Group of Five for the Sahel, among others, should also be taken into account. In addition, the States members of the Group were committed to contributing to the Peace Fund of the African Union. African Member States should, therefore, enjoy special status in the context of the revision of the scale of assessments for the period 2019–2021, to enable them to pursue their efforts in the fields of economic reconstruction and peace and stability. A fair scale would allow them to fulfil their commitments and participate fully in the work of the United Nations.

75. Negotiations on all agenda items, including the scale of assessments, must be conducted in an open, inclusive and transparent manner, in accordance with the principles of multilateralism and sovereign equality. The Group was firmly opposed to decision-making in small groups.

76. **Mr. Escalante Hasbún** (El Salvador), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), said that all Member States should pay their assessed contributions in full, on time and without conditions, bearing in mind the obstacles faced by some developing countries. The General Assembly must be responsive to such difficulties. CELAC endorsed the recommendation of the Committee on Contributions concerning the requests for exemption under Article 19 of the Charter of the United Nations and emphasized the need to consider such requests on an urgent basis.

77. The principle of capacity to pay should serve as the main guide for deliberations on assessed contributions. As those contributions enabled delegations to support the work of the Organization in upholding the principles and purposes of the Charter, the scale of assessments was crucial to ensuring the equitable participation of all Member States in its activities. The current scale methodology constituted a sound basis for apportioning the expenses of the Organization and should therefore not be amended. External factors should not affect the methodology and lead to increases in the contributions of developing countries or the creation of artificial ceilings. The current ceiling had been fixed as a political compromise and was at odds with the principle of capacity to pay.

78. Peacekeeping operations were an essential function of the United Nations and should be supported by resources commensurate with their corresponding mandates. CELAC reaffirmed the principles that underlay the financing of peacekeeping operations, including the need for the permanent members of the Security Council to shoulder their respective premiums for peacekeeping financing.

79. He welcomed the efforts of Member States that had met their commitments under multi-year payment plans, which should remain voluntary and take into account the financial situation of the relevant Member States. They should not be used as a means of exerting pressure on Member States that were already in difficult circumstances and should not be a factor in considering requests for exemption under Article 19. The Community remained committed to fulfilling its

financial obligations to the United Nations as determined on the basis of a methodology that faithfully reflected the economic reality of CELAC countries.

80. **Mr. Webson** (Antigua and Barbuda), speaking on behalf of the Caribbean Community (CARICOM), said that the financial viability of the United Nations depended on equitable burden-sharing among Member States for the expenses required to carry out its mandates. Capacity to pay was the fundamental criterion in the apportionment of the expenses of the United Nations. Core elements of the current scale methodology, such as the base period, GNI, conversion rates, low per capita income adjustment, the gradient, the floor, the least developed countries ceiling and the debt-burden adjustment, should remain unchanged. Any proposals intended to increase the contributions of developing countries should be rejected.

81. Financing for peacekeeping operations was particularly crucial, as it enabled Member States to fulfil their collective responsibility to combat threats to international peace and to promote peace and security. In keeping with the principle of common but differentiated responsibilities, the peacekeeping scale should take into consideration the specific situations of developing countries, including small island developing States, some of which had deceptively high per capita incomes owing to their small populations. The special responsibilities of the permanent members of the Security Council should also be borne in mind.

82. The placement of developing countries above contribution level C was unacceptable and inaccurately reflected the economic reality of the States concerned. Corrective measures should be taken to restore the balance between developed and developing countries. It was regrettable that the Bahamas had been placed in level B, a category that should be reserved for developed countries. Some States members of CARICOM were grappling with such challenges as high levels of public debt, natural disasters, climate change and external economic shocks. They, and other developing countries with small, trade-dependent and exceptionally vulnerable economies, could not be expected to bear the same financial burden as developed countries.

The meeting rose at 12.40 p.m.